

Deepak Moorjani

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"Kohlenberg, Kerstin" <Kerstin.Kohlenberg@zeit.de> 

May 13, 2009 2:03 PM

To: DEEPA

AW: Links to Articles

Hi Deepak,

oh yes, I read them and after that went to your scribt-page and read everything that is there.

What you discovered at Deutsche Bank in regards to almost 100percent loans and the connection to bonuses is exactly what apparently happened at Hypo Real Estate (only that they offered 160 percent commercial real estate loans which in German is actually against the law. I am researching that story right now) so I am a little familiar with the topic. I just did a story about Merkel and her advisers and how badly their bank-overview functions. (<http://www.zeit.de/2009/15/DOS-Kanzleramt>)

I believe what you discovered in a heartbeat. I think your demands for better risk management and a different incentive structure need more audience - and connected with that very case that you are presenting, it would make a big, big story. I write 8000 word features (kind of like a New York times Magazine Story) and I would very much write about you and the case you are making. There are a lot of people out there that demand change, but there is you who can show how rotten the system still is, and how the managers say one thing to the media and something else to people like you.

The fact that your letter was ccd to Angela Merkel makes it even more interesting, because I could confront her with it, and ask about her real interests in changing the system (like she said on the G20 summit)

So any clue when you will be back in New York?

Kerstin

-----Ursprüngliche Nachricht-----

Von: DEEPAK MOORJAN

Gesendet: Mi 13.05.2009 18:50

An: Kohlenberg, Kerstin

Betreff: Links to Articles

Hi Kerstin,

Have you read these articles? If so, I'd welcome your thoughts.

A.

B.

Deepak

On May 14, 2009, at 12:57 AM, Kohlenberg wrote:

Deepak,

That's really unfortunate. When so you come back to the States?

Kerstin

Am 13.05.2009 17:51 Uhr schrieb "DEEPAK MOORJANI" unter

Hi Kerstin,

Unfortunately, I am stuck in Asia. Hearings are discontinuous, and I'm not sure when the next hearing will be. The April hearing was public, but most are closed hearings (including this Friday's hearing).

I'll recommend that we "meet" via videoconference. It's the next-best alternative and better than a phone call. Maybe even this weekend.

Thanks,
Deepak

On May 14, 2009, at 12:10 AM, Kohlenberg wrote:

Hi Deepak,

Thanks again. Just two quick questions in order to plan my trip next

Chairman

JUN MAKIHARA

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Deepak Moorjani
02/08/2007 03:09 PM

To: Michael Cohrs/DMGIB/DMG UK/DeuBa@DBEMEA
cc:
Subject: Via Jun

Hi Michael,

Yes, I was. Bonus day turned into a bigger distraction than imagined. Apologies for the delay.

I've convinced the sponsor of a large JREIT to go private in an MBO transaction. It's fairly large transaction (\$1.7-1.8 billion), and if necessary, I would like to get your advice if we hit any major hiccups. Currently, we do not have any major issues, but I wanted to introduce myself well in advance in the event that I need some advice.

Thank you.

Deepak Moorjani
Deutsche Securities Inc.

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Michael Cohrs/DMGIB/DMG UK/DeuBa@DBEMEA

①

Michael Cohrs/DMGIB/DMG
UK/DeuBa@DBEMEA
02/05/2007 10:54 PM

To Deepak Moorjani/db/dbcom@DBAPAC

cc

Subject

I think you were trying to reach me--how can I help?



satyagraha
October 8, 2008

PERSONAL AND CONFIDENTIAL

Mr. Michael Cohrs
Mr. David Hatt
Deutsche Bank Group
Sanno Park Tower, 2-11-1 Nagatacho
Chiyoda-ku, Tokyo 100-6171

Dear Messrs. Cohrs and Hatt,

I deliver this 就労請求 as my right and obligation under Japanese law.

(Note: "In Japan, you cannot actually be dismissed unless you agree that you are dismissed. If you are unfairly dismissed and want to legally challenge the dismissal, you must submit to your employer a refusal of the dismissal and demand to know why you are being dismissed in writing by the next day (e.g., send a fax or email the day you are illegally dismissed). Thereafter, continue to report to work asking for your job back. This is called shuro seikyu (reporting to work) and is a seriously respected aspect of Japanese culture.")

In an April 14, 2008 letter addressed to David Hatt, I wrote, "In my estimation, we will announce at least \$10-15 billion in write-downs related to our credit exposure in a twelve month period. For Deutsche Bank, the status quo is no longer acceptable, as these large losses have increased and will increase scrutiny into our performance. Shareholders should call for greater accountability, especially relating to Deutsche Bank management. In recent media reports, I have begun to read criticism from shareholders and the general public, and some interpret inadequate corporate governance structures and lax internal controls as contributory to our large write-downs."

This letter represents my continuing attempt to improve the inadequate governance structures and lax internal controls within Deutsche Bank and specifically to address management's failure to perform. As recently reported, "Deutsche Bank AG announced \$3.6 billion of fresh writedowns on Thursday, taking its bill from the financial crisis beyond \$11 billion and putting it among the top ten global casualties of the turmoil . . . His remarks on Thursday contrast with his bullish statements of the past. As late as November, Ackermann signalled he saw no further writedowns and stood by his 2008 pretax profit goal of 8.4 billion euros, a target that has since been quietly dropped." It may no longer be appropriate to say, "Strategically, our path is clear: we stay the course!"

In my opinion, the media has missed the real story. The media reports on a "subprime crisis" or a "credit crisis" as if our recent write-downs and losses are caused by external events. Our poor results are a "management debacle," a natural outcome of management's actions and failures to act. Management took too much risk, failed to manage this risk, and broke too many laws and regulations. Within Deutsche Bank, there is a strong economic disconnect between management and shareholders, and in my opinion, this culture of Other People's Money ("OPM") has been highly contributory to our losses. As Warren Buffett stated, "The banks exposed themselves too much, they took on too much risk . . . It's their fault. There's no need to blame anyone else."

As a shareholder, we need to consider the following questions (i) Do we have the right management team in place? and (ii) Do we have a system of checks and balances to align interests between managers and shareholders? and (iii) How do we improve the inadequate governance structures and lax internal controls?

就労請求



Retaliation: Management's Abuse of Power

As background, I have an investment management background with more than ten years of private equity experience in the US. In this role, I have been responsible for overseeing governance issues for a number of portfolio companies, with a particular focus on aligning incentives between management teams and investors. I joined Deutsche Bank to build an investment business in 2006, and over time, I grew increasingly concerned by management's failure to perform and our inadequate corporate governance structures and lax internal controls. I constructively raised explicit concerns in an internal April 12, 2007 letter to Michael Cohrs which also stated, "I have witnessed violations of Japanese securities laws. These violations are numerous and willful, and these violations may have triggered criminal liability." In part, this conclusion was based on a presentation by our legal department entitled, "Financial Instruments & Exchange Law ("FIEL"), March 16, 2007 Version." In this document, we were advised that criminal penalties were possible based on violations including false statements in internal control reports and market price manipulation.

While some of this commentary may have offended powerful interests, it is in our best interest to address these issues proactively. As Edward R. Murrow offered, "We must not confuse dissent with disloyalty." My letter to Michael Cohrs was intended to be personal and confidential based on prior correspondence and numerous mutual friends and former colleagues (John Sheldon, Steve Bannon, Scot Vorse, Matt Czajkowski and Jun Makihara). Management responded with an explicit retaliatory campaign based on allegations of non-performance; however, there is no record of non-performance allegations prior to my letter to Michael Cohrs. After this retaliatory campaign, management issued a termination notice on September 5, 2007 which has been rejected. Retaliation is likely illegal under Japanese law and may be viewed as an abuse of power. Any retaliation may also demonstrate a knowing and intentional attempt to conceal management's failures to perform as well as violations of law.

The Core Issue: Management's Failure to Perform

Management's desire to suppress internal dissent is most likely an attempt to conceal management's failure to perform. The rationale is simple: while our corporate governance code indicates a pay-for-performance culture, we seem to reward management's failure to perform. A recent Financial Times article explained "It was also revealed that Deutsche paid €97.1m in 2007 to six members of its global executive committee, compared with €99.7m in 2006. The committee members include Deutsche's top investment bankers such as Anshu Jain, head of global markets, and Michael Cohrs, head of global banking."

This contrasts with our public disclosures which state, "Effective corporate governance in accordance with high international standards is a part of our identity. We ensure the responsible, value-driven management and control of Deutsche Bank through our system of corporate governance, which has four key elements: good relations with shareholders, effective cooperation between the Management Board and the Supervisory Board, a system of performance-related compensation for managers and employees, as well as transparent and early reporting.

The Japan office, the worst performing office globally, offers a nice case study. According to public reports on February 13, 2007, Mr. Hatt joined Deutsche Bank on May 7, 2007 as "Regional CEO and Chief Country Officer for Deutsche Bank Group in Japan, responsible for coordinating the Group's business activities." Mr. Hatt joined Deutsche Bank with a 2-year guaranteed contract that pays him approximately €5,000,000 in compensation per year, and public reports indicate Mr. Hatt replaced John T. Macfarlane who resigned as President and CEO in December 2006. In addition, Mr. Hatt assumed direct P&L responsibility for Global Banking until "the appointment of David Shrenzel as Head of Global Banking, Japan, effective from February 1, 2008. Mr. Shrenzel assumes the post from David Hatt, President & CEO of DSI, who has held the post on an interim basis."



For 2007, management made aggressive projections for 2007 with a forecast of €130,000,000 in revenues, nearly €50,000,000 in NIBBT and an increase in personnel to more than 150. These aggressive projections were made despite historically weak performance in the Global Banking operation. In 2005, Global Banking delivered €49,607,000 in revenues with €6,445,000 of NIBBT (Net Income Before Bonuses and Taxes). In 2006, Global Banking delivered €50,410,000 in revenues with €2,462,000 of NIBBT. Despite increasing personnel from 92 to 120, revenues grew by less than 2%, and NIBBT decreased by more than [60%].

The largest component of Global Banking's revenue growth was projected to come from the Commercial Real Estate (CRE) lending business which was expected to deliver €50,000,000 in revenues in 2007, an increase of 55% from the €32,263,000 of revenues achieved in 2006. Additionally, the Commercial Real Estate lending business was projected to deliver nearly €35,000,000 in NIBBT and to grow headcount from 27 to 46 employees. The Commercial Real Estate lending business expected to achieve its projections by aggressive use of the Deutsche Bank balance sheet; by January 2007, the Commercial Real Estate lending business utilized €1,578,600,000 of Deutsche Bank assets, approximately 95% of the total corporate finance portion of Global Banking balance sheet.

By mid-2007, management was significantly behind its projections despite a very favorable environment. Management had delivered approximately €30,000,000 in revenues (less than 25% of its projections) and approximately €1,000,000 in NIBBT (~2% of its projections). Despite guaranteed compensation, management was unwilling to admit its performance failures; rather, management sought to squash internal dissent.

Summary

I have not resigned despite your attempts to force my resignation, and I remain ready and available to return to Deutsche Bank. As previously disclosed, I am an openly-declared union member who began a collective bargaining process in order to (i) affirm my status as an employee and (ii) discuss management's failure to perform and (iii) remedy the inadequate governance structures and lax internal controls at Deutsche Bank. Unfortunately, neither David Hatt nor Michael Cohrs participated directly in the collective bargaining process. With the assistance of outside counsel, a statement of claim has been filed in Tokyo District Court (Case #4109) to affirm my status as an employee. I note that neither Michael Cohrs nor David Hatt appeared at the first hearing on March 21, 2008, the second hearing on May 20, 2008, the third hearing on July 1, 2008, nor the fourth hearing on September 12, 2008. Please note the next hearing is scheduled for October 15, 2008.

We can do better, and we need to raise the level of our dialogue. Rather than retaliation, we should encourage people to report and remedy corporate misconduct. This is an essential part of risk management. We have made explicit promises to our investors and to the general public; these are not merely stated ideals but explicit promises which have been filed with various regulatory bodies around the world.

My hope is that we can begin an honest dialogue to address management's failure to perform and to address the inadequate governance structures and lax internal controls. Sometimes, big problems can result from seemingly small problems, and it is in our best interests to address these issues proactively. Within our firm, we have a moral responsibility to each other, and we have a fiduciary responsibility to our investors. Please address the issues raised in this letter as soon as possible. Please direct your written response to Yasushi Higashizawa of Kasumigaseki Sogo Law Offices at your earliest convenience.

Please join me in this conversation. Together, we can make a difference.

Sincerely,

Deepak Moorjani

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就労請求



Richard H. Walker Elected to MBIA's Board of Directors

ARMONK, N.Y.--(BUSINESS WIRE)--Sept. 14, 2006--MBIA Inc. (NYSE: MBI) announced today that Richard H. Walker was elected to MBIA's Board of Directors. Mr. Walker is the general counsel of Deutsche Bank, where he oversees the Legal and Compliance departments worldwide.

Before joining Deutsche Bank in 2001, Mr. Walker was director of the Division of Enforcement for the Securities and Exchange Commission (SEC). Preceding his appointment to that position, he served as general counsel and northeast regional director since joining the SEC in 1991. Prior to the SEC, Mr. Walker spent 15 years in the New York office of Cadwalader, Wickersham & Taft, where he was a litigation partner specializing in corporate, securities and commercial litigation.

MBIA Board Member and Nominating/Corporate Governance Committee Chair Claire Gaudiani said, "Richard's impressive legal, compliance and financial expertise will add important depth to our Board. We are delighted to have him join us, and are confident that the experience he's gained throughout his remarkable career will provide an invaluable asset as we guide MBIA's continued growth in the global financial guarantee marketplace."

While at the SEC, Mr. Walker was awarded the Presidential Rank Distinguished Service Award in 1997--the highest federal award for government service. He also received the SEC's Distinguished Service Award, and the Chairman's Award for Excellence.

Mr. Walker is a member of the New York Stock Exchange Legal Advisory Committee, and is a trustee of the Securities and Exchange Commission Historical Society and the American Folk Art Museum. A Phi Beta Kappa graduate of Trinity College, Mr. Walker received his J.D. degree, cum laude, from Temple Law School.

MBIA Inc., through its subsidiaries, is a leading financial guarantor and provider of specialized financial services. MBIA's innovative and cost-effective products and services meet the credit enhancement, financial and investment needs of its public and private sector clients, domestically and internationally. MBIA Inc.'s principal operating subsidiary, MBIA Insurance Corporation, has a financial strength rating of Triple-A from Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings, and Rating and Investment Information, Inc. Please visit MBIA's Web site at www.mbia.com.

CONTACT: MBIA Inc.
Liz James, 914-765 3889

SOURCE: MBIA Inc.

Mark Grolman

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Deutsche Bank



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Daiki Kajino/db/dbcom
2007/05/09 19:19

To Tomohiko Kimura/Tokyo/DBJapan/DeuBa@DBAPAC

cc

bcc

Subject Fw: Staff - Privileged & Confidential

Kimura-san

As we discussed in this morning, I explained the current situation to Murakami-san in HR. After that, I arranged conference call with Sunil Madan and it is already fixed on tomorrow at 17:00 (Tokyo Time).

Murakami-san and I will have a conference call with him and ask him about our concerns. If you need to join it, please let me know.

As to investigation of Frank's e-mail for Pipeline issue, I will start it as soon as I obtain Mitch's approval.

Regards,

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆
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☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

----- Forwarded by Daiki Kajino/db/dbcom on 2007/05/09 19:13 -----

①

Mark
Grolman/Sydney/DBAustralia
/DeuBa@DBAPAC
2007/05/09 19:09

To "Dick Walker" <richard.h.walker@db.com>,
janice.reznick@db.com, rachel.blanshard@db.com,
jiana.leung@db.com, "Kiyoshi Murakami"
<kiyoshi.murakami@db.com>, "Andrew Hume"
<andrew.hume@db.com>, "Daiki Kajino" <daiki.kajino@db.com>,
"Mr. Tomohiko (Tom) Kimura" <tomohiko.kimura@db.com>

cc

Subject Staff - Privileged & Confidential

PRIVILEGED & CONFIDENTIAL

Below are draft notes of the interview I had with Frank Forelle yesterday.

NEXT STEPS

I suggest for your consideration that the next steps should be:

- (a) we interview Sunil Madan. Tom Kimura has agreed to do that by telephone as soon as possible this week;
- (b) when Deepak Moorjani returns to Tokyo from the US next week, we press him again to produce all evidence he has of any alleged violations or wrongdoing. In the two weeks since he was interviewed he has not produced any evidence;
- (c) agree a letter to Mr Moorjani in response to his letter. I suggest that this letter be signed by David Hatt as President and CEO of DSI (the employer of Mr Moorjani). David Hatt has been briefed on this matter. I will draft the response letter for your review. Once agreed, that letter should be delivered to Mr Moorjani.

I also propose giving the draft notes of meeting to Frank Forelle to check for accuracy.

Richard H. Walker
General Counsel



Deutsche Bank AG
Legal Department
60 Wall Street, MS NYC60-3601
New York, NY 10005

Tel 212-250-8200
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richard.h.walker@db.com

January 29, 2008

Mr. Gary C. Dunton
Chief Executive Officer and President
MBIA Inc.
113 King Street
Armonk, NY 10504

Dear Gary:

I have concluded that I should resign from MBIA's Board. I do so with great regret and only after very careful consideration of the interests of both MBIA and Deutsche Bank.

When I joined MBIA's Board in 2006, existing business relationships between MBIA and Deutsche Bank provided no basis to believe that I would be unable to give both institutions my full attention and undivided loyalty. Given the events of the past week, however, I am now in a position where I can no longer be confident that continuing to act on behalf of both institutions will not lead to the possibility of an appearance that I may have reason to favor one over the other on a matter of great importance to both. In these circumstances, my ability to continue to act on behalf of either institution may be constrained. Given the importance of restoring credibility in the marketplace, I would not want my role to become a distraction to ongoing efforts to achieve this goal.

I am proud to have been associated with MBIA, and I would have liked to continue serving on MBIA's Board. I leave the Board with great affection for all my fellow directors and with appreciation for their wisdom and dedication. I would also be remiss if I did not applaud the exceptional MBIA staff. I am confident that this top-flight staff, with the Board's support, will guide MBIA to future successes.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard H. Walker", written over a horizontal line.

Richard H. Walker

cc: Members of the Board of Directors